

UNCLASSIFIED
FOR OFFICIAL USE ONLY
UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE

POSTURE STATEMENT OF
ADMIRAL JAMES G. STAVRIDIS, UNITED STATES NAVY
COMMANDER, UNITED STATES SOUTHERN COMMAND

BEFORE THE 111TH CONGRESS

HOUSE ARMED SERVICES COMMITTEE

March 18, 2009



UNCLASSIFIED
FOR OFFICIAL USE ONLY
UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE

Mr. Chairman, Ranking Member, and distinguished Members of the Committee: thank you for the opportunity to appear before you today to discuss the United States Southern Command and our area of focus in Latin America and the Caribbean. I am happy to report that 2008 was a productive and positive year for the United States Southern Command, and we appreciate the support that Congress has shown us over the last year. With your assistance, we were able to help address challenges and benefit from opportunities in this dynamic era. With your continued support, we are already on track to have a similarly productive year in 2009, and anticipate reaching new milestones of security cooperation with our partners in Latin America and the Caribbean.

We are living in an age of rapid change facilitated by advancing technologies and increasingly networked systems, societies, and economies. In order for security agencies to be successful in this complex environment, those organizations must be flexible, open, and forward-thinking. As globalization deepens and threats emerge and evolve, security organizations will need to continue fostering and building relationships with willing and capable partners to face transnational challenges. The security of the United States and that of our partners depends largely on our capacity to leverage joint, international, interagency, and public-private cooperation, all reinforced by focused messaging and strategic communication.

The old adage that “change is a constant” should instead read “change is constantly accelerating”. Yet, our core mission has been left unchanged. We remain a military organization conducting military operations and promoting security cooperation in Central America, the Caribbean, and South America in order to achieve U.S. strategic objectives.

Last year was a hallmark year for U.S. Southern Command. Fortunately, we saw the completion of many important milestones:

- Safe return and repatriation of three U.S. hostages in Colombia after five and a half years of captivity;
- Groundbreaking for our new U.S. Southern Command headquarters in Miami, Florida;
- PANAMAX 2008, our largest and most comprehensive joint, multilateral exercise to date with 20 nations involved;
- Harnessing of innovation and new technologies in our operations and exercises, from unmanned vehicles to high speed vessels;
- Supporting valuable Humanitarian Assistance and Training operations;
- Disaster relief support in a dangerous hurricane season;
- Numerous medical training missions to include a combined seven-month deployment of two uniquely-crewed amphibious ships called Continuing Promise 2008 with over 210,000 total patient encounters;
- Interdiction of over 228 metric tons of cocaine;
- A robust bilateral and multilateral exercise program and numerous international exchanges, including 21 major military-to-military exercises; and
- Excellent training and information exchanges on human rights for armed forces.

These milestones were only made possible through the help of the Congress and the hard work and dedication of our service components, and their motivated civil servants and service members from the active, reserve, and guard force – Army, Marine Corps, Navy, Air Force, Coast Guard, and Special Operations – the professionalism of our Joint Task Forces, and the cooperation of numerous partners inside and outside U.S. government.

This is my third posture statement as Commander of U.S. Southern Command. My first testimony highlighted the diversity of our assigned region and outlined the powerful linkages we

share with Latin America and the Caribbean. In last year's statement, I gave an update of our region and described some innovative approaches that we were planning to fulfill our mission more effectively.

Today, I would like to update you again on the region, as well as discuss the threats and challenges that we still face in Latin America and the Caribbean. Also, I would like to report on the positive results that we are seeing from the innovative approaches and initiatives outlined in last year's testimony.

Hemispheric Linkages

Economics: a driving factor

The first few years of this millennium saw world economic activity at a healthy and robust level, "with high growth rates, low inflation, low interest rates, fluid financing, and buoyant international trade."¹ This economic climate allowed Latin America and Caribbean economies to grow at a level unseen in almost half a century. A key contributor to this growth – in much of the region – was high global demand for commodities, such as energy, metals and food staples. This growth, coupled with improved economic policies, allowed many countries to make inroads into the challenges of poverty and income inequality that have long bedeviled economic and political stability.

The economies in Latin America and the Caribbean are increasingly tied with the global economy – with very close linkages to the U.S. Now, Latin American economies are beginning

¹ Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Latin America and the Caribbean in the World Economy: 2008 Trends*, October 2008.

to feel the negative impact of the current economic downturn in the United States and Europe.

Although the duration and impact of these economic problems are difficult to predict, any global or regional slowdown or reduction in demand and prices for commodities will naturally have an adverse effect on this region. Economic data from late 2008 showed commodity prices that had risen until mid-July 2008, have recently fallen. Wheat and corn futures are down 70 percent. Oil prices are down 55 percent, and several metals are down 50 percent.²

The fall in commodity prices will ease some inflationary pressures, but combined with other economic factors, will negatively impact the region's growth and cause near and long-term challenges for the region's leaders. Near term, they will have to cope with the economic slowdown and its inherent challenges: reduced exports, tighter access to financing, stock market devaluation, less foreign direct investment, and reduced migrant remittances. Long term, if these economies continue to falter, they will have to deal with the electorate's disappointment, and in some cases reduced overall security and stability. They will also face a challenge in fully implementing positive economic reforms that many of the region's governments have attempted to implement over the last two decades.

Although 2009 is forecast to be a much more difficult year economically in our region, each country will vary in performance depending on its own situation, policies, and political leadership. Many of the larger countries in our region are well prepared to weather this adverse economic situation due to recent economic reforms and an increased integration with the global economy, particularly the U.S. economy. Our interdependence with the region should, over time, dampen individual economic shocks, and foster sustained economic growth.

² IBID.

Democracy, liberty, and human rights: desired common ground

Today, every country in our hemisphere is a democracy, with the notable exception of Cuba. We are fortunate to be united by democratic principles, the inspiration of liberty, and our populations' desire to have human rights respected by their governments. Of course, there are differences in form and style between our governments, and the democratic scorecard may differ greatly from nation to nation. However, compared to three decades ago when the form of government in the majority of the countries was not democratic, our region's similarities outweigh the differences.

Culture: an integrator

As seen with our economic interdependence, the Americas are an interconnected system – a very diverse, yet interrelated, community. This important region is unfortunately sometimes referred to as the “backyard” of the United States. That terminology reflects an inaccurate and inappropriate picture of a region so vitally important to the future of the United States. It is in every sense not our “backyard,” but rather, a home that we share together. We have tremendous geopolitical, economic, and social linkages that unite us and act as a foundation for this home. These ties range from our shared economic activity to our comparative democratic ideals, as well as from mutual social and cultural appreciation to similar geography and climatic systems.

A clear indicator of this interdependence is the mixing and interaction of cultures here in the United States that we see reflected in the Americas. Currently, about 15 percent of our

population traces its heritage to Hispanic origins. By mid-century, this cultural influence will increase to almost one third of our total population – a population of increasing diversity.³

Military: a robust linkage

Historically, we have had very close military ties with our partners in the region. For example, Brazil fought with us during World War II – The Brazilian Expeditionary Force, numbering over 25,000 troops, fought with U.S. forces in Italy from 1944 to 1945. During the Korean War a Colombian infantry battalion and warship served with the U.S. led United Nations (UN) Command. Beginning in the 1950s, several Latin American countries contributed military units to UN peacekeeping operations in the Middle East. Recently, in Iraq, troops from El Salvador served as part of the multinational presence and have now completed a noteworthy 11 rotations with over 3,000 total troops. The Dominican Republic, Nicaragua and Honduras also dispatched troops to Iraq.

These are all examples of our partner nations fighting side-by-side with us in times of conflict. However, we also engage with these nations continuously during peacetime through various bilateral and multilateral exercises, conferences, and other training engagements. One example of this is the daily interaction the U.S. military has with future senior military leaders from throughout the region at our military institutions such as the Western Hemisphere Institute for Security Cooperation, Center for Hemispheric Defense Studies, and the Inter-American Air Forces Academy. The camaraderie developed among our military officers at these institutions and the schools' strong emphasis on democratic values and respect for human rights are critical to creating military establishments capable of effective combined operations.

³ Source: Pew Research Center, *U.S. Population Projections:2005-2050: February 2008*.

Challenges and Accomplishments

U.S. Hostages in Colombia: a success story

It is with great pleasure that I can report the safe return to the United States of the three American hostages held by a narcoterrorist group in Colombia. To quote **last** year's testimony, "Unfortunately, the FARC (*Fuerzas Armadas Revolucionarias de Colombia* or Revolutionary Armed Forces of Colombia) are extremely capable and experienced at holding and hiding hostages in the dense Colombian triple-canopy jungles. We are hopeful that our efforts and those of Colombia and the international community will soon see Marc, Keith, and Tom returned to U.S. soil alive and well."

Those hopes were realized on July 2nd, 2008. The Colombian military deserves complete credit for the final daring raid that freed our hostages and twelve others. However, it is fair to say that their brilliant tactical operation was the culmination of almost ten years of effort shared by our Congress, Colombia, U.S. Southern Command, and other U.S. Agencies responsible for resources and capacity building of the Colombian military. One of the happiest and most satisfying moments of my career was the moment I received word that Marc Gonsalves, Keith Stansell, and Thomas Howes had been safely rescued. Seeing the much sought after freedom of these three United States citizens, after five and a half long years of captivity, was certainly a highlight of our year.

Threats

The current challenges and security threats that we face in this hemisphere fortunately do not involve any imminent conventional military threat to the United States, nor do we foresee one in the near- or mid-term future. For the foreseeable future, we also do not see any major military conflict developing among nations in Latin America or the Caribbean. Communication has been a strength in our region, and has proven itself over the last year during some of the region's political tensions. This is evidenced by the peaceful mediation and resolution by regional leaders of the crisis between Ecuador, Colombia, and Venezuela that occurred in March of 2008. The creation of the new South American Defense Council is yet another indication of the tendency to create fora to encourage dialogue and reduce tension.

Despite this “peaceful” state of the region from a state-on-state violence perspective, security challenges undoubtedly do exist. Narcoterrorism, drug trafficking, crime, gangs, and natural disasters pose the principal security challenges to the region and to the United States from the region. Also, the specter of transnational Islamic terrorism is of concern and bears due vigilance on our part.

Underlying conditions: poverty and inequality

Despite the economic gains of the past decade, poverty and income inequality remain grave concerns for many people in Latin America and the Caribbean. These concerns drive social unrest and provide fertile soil for many of the region's public security challenges. Although poverty rates have been modestly reduced over the last 15 years – from 48 percent living in poverty in 1990 to an estimated 35 percent in 2007 – with increases in population over

the years, the absolute numbers of people living in poverty have risen slightly overall in the region. The number of people living in indigence – or extreme poverty – has also climbed, affecting an estimated 12.7 percent of the population.⁴

Combined with this poverty is a disproportionate wealth distribution that is second only to Sub-Saharan Africa. The richest 20 percent of the Latin American population earns 57 percent of the region's income, earning 20 times that of the poorest 20 percent. By comparison, the richest 20 percent in high-income regions of the world earns only 7.7 times that of the poorest group.⁵ The cumulative effect of poverty and income inequality in Latin America and the Caribbean serves as a catalyst for insecurity and instability. Although these figures vary from country to country in the aggregate, poverty and inequality make whole regional populations vulnerable to the influence of illicit activity – such as drugs, crime, gangs, and illegal immigration.

Earlier, I discussed how our region is united by democracy. Unfortunately, this continued widespread poverty and inequality in Latin America and the Caribbean energizes potential political instability. In fact, recent surveys in the region underscore the current fragility of democracy. As of 2006, 26.4 percent of the population of Latin America and the Caribbean would justify a military coup in the case of high inflation, and 20.9 percent would justify one in the case of high unemployment.⁶ These percentages tend to be highest among countries recovering from recent conflict and instability. With the present economic slowdown, this trend might only continue and lead to further autocratic problems to the detriment of democracy in the hemisphere.

⁴ ECLAC, *Social Panorama of Latin America*, 2007.

⁵ The World Bank, *2008 World Development Indicators*, April 2008.

⁶ *AmericasBarometer*, 2006.

Public security challenges: narcotics, crime, and terrorism

Narcotics. The global illicit drug trade remains a significant transnational security threat as its power and influence continues to undermine democratic governments, terrorize populations, impede economic development, and hinder regional stability. The profits from this drug trade, principally cocaine, are an enabling catalyst for the full spectrum of threats to our national security, and present formidable challenges to the security and stability of our partners. Our success – or failure – to address this insidious threat will have a direct and lasting impact on the stability and well-being of both developed and developing countries of the world. Innovative approaches and partnerships are needed to successfully confront this dangerous threat. It will take a coordinated multi-agency and multinational strategic approach that brings to bear the strengths and resources of diverse, capable groups to stem the rising tide of the illicit drug trade.

There is also a crucial demand-side effort that is continuing here in the U.S. For example, programs to treat addicts, convince and deter our children and youth from using drugs, and create community solutions are supported at a national level.

In U.S. Southern Command's assigned region, the Andean Ridge of South America is the world's only significant source of coca cultivation and cocaine production. Each year, cocaine from the region directly contributes to the deaths of thousands of U.S. citizens, and has spread its toxic effects to many countries in this hemisphere and abroad. Narcotraffickers are intrinsically transnational, and they continue to develop fresh markets, explore alternative routes, and refine current tactics. They are highly innovative and keep investing in relatively low cost and unique conveyance and concealment technologies to counter our detection systems. A vivid example of this is the self propelled semi-submersibles (SPSS) – low riding, low profile vessels that

narcotraffickers use to skim along the water line to avoid visual and radar detection. These relatively new vessels now bring tons of illicit cargo to market.

In 2008, we interdicted 11 SPSS vessels at sea on their way to market, and anticipate roughly 60 similar vessels in 2009 will ply the waters of our region – with a potential cargo capacity of over 330 metric tons of cocaine, or other illicit and dangerous material. In 2008, we observed that traffickers had expanded their presence in West Africa as a springboard to Europe, while also exploring new Middle Eastern and Asian markets. We also noted that traffickers have shifted from high seas routes to multi-staging tactics along the Central American littorals, attempting to evade international interdiction efforts.

One specific area of increasing concern is the nexus of illicit drug trafficking – including routes, profits, and corruptive influence – and terrorism. In the Western Hemisphere, the illicit drug trade historically has contributed, and continues to contribute, significant financial resources to known terrorist groups like the FARC in Colombia and the Shining Path in Peru. Another threat to the United States is the nexus with Islamic radical terrorism. In August of last year, U.S. Southern Command supported a Drug Enforcement Administration operation \, in coordination with host countries, which targeted a Hizballah-connected drug trafficking organization in the Tri-Border Area of Argentina, Brazil, and Paraguay. Last October, we supported another interagency operation that resulted in the arrests of several dozen individuals in Colombia associated with a Hizballah-connected drug trafficking and money laundering ring. Identifying, monitoring, and dismantling the financial, logistical, and communication linkages between illicit trafficking groups and terrorist sponsors are critical to not only ensuring early indications and warnings of potential terrorist attacks directed at the United States and our

partners, but also in generating a global appreciation and acceptance of this tremendous threat to security.

Since Colombia is the major global source of cocaine, as well as home to the FARC, a narcoterrorist group, the Colombian government and people remain pivotal in the fight to stop illicit traffickers at the source. As traffickers adapt their product movement tactics, every effort to interdict them within Colombia or just as they depart Colombian territory will pay tremendous dividends, as opposed to dispersing limited interdiction resources across the 42 million square miles of the Caribbean and the Eastern Pacific. Providing resources and investments to improve the Colombian military, along with enhancing our interagency capabilities, will build the capacity to integrate and share information with U.S. and international counter-narcotic organizations. Our interagency support efforts will directly improve regional and hemispheric security.

Although not part of U.S. Southern Command's regional focus, the situation in Mexico is also of serious concern with regards to drugs and narcotrafficking. With over 6,000 violent killings and thousands of kidnappings in Mexico in 2008, the Mérida Initiative (which links to the rest of Central America and parts of the Caribbean) deserves full support.

U.S. Southern Command's unique counter-narcotic task force located in Key West, Florida, is a role model for the kind of innovative cooperation and fusion of capabilities needed to counter this forceful and perilous threat. Joint Interagency Task Force South (JIATF-S) combines efforts of international partners, the U.S. armed services, and numerous U.S. and international departments and agencies to combat the illicit drug trade stemming from Latin America and the Caribbean. Last year, this task force stopped more than 228 metric tons of

cocaine from entering the United States or from reaching foreign markets and helped facilitate the capture by law enforcement or partner nations of 317 drug traffickers.

In 2009, JIATF-S will expand on the 35 planned and successful operations it conducted last year, and integrate efforts with various hemispheric initiatives to include interagency, international, and public-private efforts. With an eye toward innovation and integration, JIATF-S continues to be a model for the future and will position itself to tactically identify, engage, and counter asymmetric and dynamic threats more efficiently across the current and emergent spectrum of threat conveyances, routes, and concealment techniques. We will continue to fight this international threat with all available resources.

Crime and Violence. Over the past decade, about 1.2 million deaths can be linked to crime in Latin America and the Caribbean. United Nations data places the homicide rate for this region at 27.5 murders per 100,000 people – five times that of the United States and three times that of the world average. A recent study lists Latin America with the highest global homicide rate for people between 15 and 24, with a rate 30 times greater than that of Europe.⁷ Moreover, every year, approximately one-third of the population falls victim to a criminal act – either directly or indirectly.

These statistics are underscored by the growing influence of gangs in several countries and of delinquent youth in general. Gang populations have reached over 100,000 in Central America alone, and there are possibly similar numbers in major South American cities. In recent surveys of the region, closely aligned with economic concerns, delinquency and personal

⁷ Latin American Technological Information Network, *Map of Violence: The Young People of Latin America*, November 2008

security rank as top social ills for the majority of countries in the region.⁸ This insecurity and its associated costs – not just human costs, but, on the order of \$250 billion annually in economic impact – have become major threats and a destabilizing factor in many nations in the Western Hemisphere. Organized crime and some of the more structured gangs routinely cross borders and operate inside the United States, including near our nation’s capital in Northern Virginia and of course in Los Angeles.

The primary responsibility for helping our hemispheric partners solve these challenges resides with the Department of Justice, Department of State, and the U.S. Agency for International Development. We seek to be supportive and helpful where appropriate. The complexity of the challenges facing these government entities only reinforces the need for coordinated interagency solutions.

Colombia. Colombia is a strategic ally, an important friend, and a crucial anchor for security and stability in this hemisphere. This beautiful and diverse country is the second oldest democracy in the hemisphere.

Since the United States and Colombia started working together to help secure peace with the Clinton Administration’s Plan Colombia, a great deal of progress has been made. In the late 1990s, Colombia’s democracy was on the verge of failure. The country was embroiled in an internal conflict that, by any objective measure, was tearing it apart. Drug cartels had wide reign and violence was rampant. Today’s Colombia is a completely different story. There is a real sense of hope and pride in the country and its accomplishments. The Uribe administration – now leading the follow-on to Plan Colombia, the “Strategy to Strengthen Democracy and Promote Social Development” and with support from the United States – has brought the country “back

⁸ Latinobarómetro.

from the brink” and has it poised for stability. Since 2002 homicides have dropped by 40 percent, kidnappings by 83 percent, and terrorist attacks by 76 percent.⁹

The FARC narcoterrorist group has been beaten back with key leaders at the strategic secretariat level eliminated and more than 50 percent drop in their numbers. Their communications have been disrupted. Desertions continue to accelerate, and, morale is at an all-time low. In addition, most Colombian drug cartels have been significantly impacted, and Colombia has extradited over 700 drug traffickers to the United States. Nonetheless, the FARC remains a serious challenge to the Government of Colombia.

Although cocaine production is still a critical concern, interdiction and seizures of cocaine headed to the United States and abroad have more than doubled over the last 10 years. This increase indicates improved state control, successful governmental strategies, and an overall better interagency and international coordination and collaboration.

I highly encourage Members of the Committee to visit Colombia, as many of you have already, to experience first-hand the tremendous overall improvements in this country, and, to gain the sense that “this is the moment” for Colombia. This is the time for Colombia and its friends to make the final push to win true peace in this country – a peace that will be of great benefit to the region and the United States. As Colombia wins its peace, narcoterrorists will lose capacity to grow, process, and transport illicit drugs – directly saving U.S. lives and resources. Human rights compliance and training are key to all this.

Over the next two years, support for the Colombian armed forces’ campaign to defeat the FARC, as well as for Colombian interagency efforts to bring governance and economic

⁹ US State Dept brief. Charting Colombia’s Progress, available at: <http://www.state.gov/documents/organization/93761.pdf>

opportunity to areas recaptured from the FARC, is essential. Paramount to this support will be training, mobility, and continuation of key infrastructure and human rights programs to provide long-term self-sufficiency. Continued U.S. commitment over the next two years will be critical through a “nationalization” period, as the Colombian government assumes responsibility for funding the majority of current programs through the development and institutionalization of carefully planned resource management processes. With U.S. help, a stable and secure Colombia is very achievable in the near term, and will serve as a democratic model for the region.

Additionally, the U.S. needs to continue supporting counter-drug and counter-terrorism programs in Colombia’s neighboring countries, especially Peru.

Terrorism. Terrorist networks are active throughout our hemisphere. These networks include domestic narcoterrorists, such as the FARC, who mainly reside in Colombia, as well as the Shining Path Maoist-style narcoterrorists of Peru. Islamic terrorist networks are also active, primarily involved in fundraising and logistical support for parent organizations based in the Middle East, such as Hizballah and Hamas. Individuals with terrorist training and experience who could support or conduct terrorist attacks in our hemisphere may be present in the region, and our intelligence has demonstrated that pre-operational and operational activities have indeed occurred, as exemplified by the attempt to blow up fuel pipelines at the JFK airport in New York in 2007.

Islamic terrorist networks are present in the Tri-border Area, as well as several other locations in the region. A robust Hizballah financial support network exists in the region, as well as an active group of sympathizers and supporters of Hizballah. Also present are Sunni groups,

including Hamas, whose members possess operational backgrounds. Moreover, known al-Qa'ida members have journeyed to Latin America and the Caribbean and other terrorist-inspired Islamic radicals have been arrested in the region.

As with all of the Department of Defense and other U.S. departments and agencies, U.S. Southern Command dedicates significant effort to remaining vigilant in the struggle against violent extremism. We have a regional plan to combat this threat through multiple avenues. This plan includes shaping the strategic environment through support to interagency humanitarian operations that impede radical organizations from gaining a foothold in the region, as well as building partner nation capacity to detect and defeat threats in a cooperative environment. These efforts will help ensure the forward defense of the United States and increased security for our partners. We thank the Congress for providing the dedicated resources necessary for this mission and for providing flexible funding sources to help us rapidly address emerging capability gaps of our partners as the strategic situation develops. U.S. Southern Command will continue to work closely with our interagency and our regional partners to ensure our nation and those of our friends remain secure.

Marketplace of Ideas

The Americas are a marketplace of ideas where security, economic, and political models compete amidst all the linkages and challenges detailed above. The ideas of personal liberty, electoral democracy, fair and open markets, and political transparency – are competing against a variety of other models, some of which are dramatically different.

Our job at U.S. Southern Command is simply to build cooperative security relationships and to promote U.S. military-to-military interests in the region. Unfortunately, some trends in a few countries hinder security cooperation, and a few leaders have adopted a vocal anti-U.S. stance, making it more difficult to cooperate on security matters.

To compete in this marketplace, we engage proactively in the region and counter anti-U.S. messaging with persistent demonstrations of our goodwill, competence and professionalism. The U.S. government, through our interagency, needs to be capable of assisting our partner nations by addressing the underlying conditions of poverty and inequality, while U.S. Southern Command needs to help build security relationships and create innovative security initiatives with cooperative partners to confront transnational security threats.

Initiatives

To confront the challenges and embrace the opportunities of this century in the Americas, U.S. Southern Command has shaped its initiatives to cultivate innovative ideas and harness integrated effort. Our mantra has been “joint, international, interagency, and public-private.” The changing global and regional conditions of the 21st Century require more of an integrated approach. With the approval of the Secretary of Defense, U.S. Southern Command has realigned our internal headquarters structure to better support our interagency partners and to be more agile and comprehensive in our approach to engagement in the region.

In 2008, we witnessed numerous positive results from integrating many initiatives that began in 2007. The following three examples typify the direction our command is taking.

PANAMAX 2008. Building confidence, capability, and cooperation among partners is essential to confronting today's security challenges. Our exercise Fuerzas Aliadas (Allied Forces) PANAMAX has matured over the last five years and has become one of our flagship programs. PANAMAX is a multinational and interagency exercise that focuses on defending the Panama Canal from traditional and non-traditional threats. The exercise began in 2003 as a limited naval exercise with just three participating nations. Due to past successes and efforts to expand partnerships, the exercise has grown to include a roster of more than 20 nations, several U.S. departments and agencies, international organizations, non-governmental organizations, and multiple military branches of service.

Co-sponsored by Panama, Chile, and the U.S., this year's exercise formed a truly integrated multinational force – Multinational Force-South. The force was led by U.S. Southern Command's Army component, U.S. Army South, but had significant international representation at all levels of command and control. Each of the Service components included significant command-level team members from other countries and agencies. For example, the maritime components were headed by Admirals from Chile and Brazil.

While the exercise scenario focused on the security of the Panama Canal, this type of integrated multinational training certainly would benefit any response to real-world threats in our region – conventional and unconventional. From responses to catastrophic disasters to United Nations mandated multinational forces, this type of collaborative training has already proven to be indispensable.

In addition to the security scenario focused on the Panama Canal, PANAMAX also included a multinational humanitarian training and assistance / disaster-relief training mission, a

multinational peacekeeping battalion training event, and an interagency Proliferation Security Initiative training event focused on the shipment of weapons of mass destruction.

This was also the second year that we assisted the Government of Panama with integrating their interagency homeland security exercise, PANAMAX ALPHA, with PANAMAX and facilitated for the first time the involvement and support of the Defense Threat Reduction Agency, the U.S. Coast Guard, and the Federal Emergency Management Agency.

Joint, international, interagency, and public-private is the essence of PANAMAX. The collaborative integration of participants and helpful lessons learned this year were exceptional. The increased participation and scope of PANAMAX over the years underscores the significance the international community places on cooperative efforts and strong partnerships as pillars of worldwide security and stability.

Continuing Promise 2008. In 2007, for the first time, we sent a U.S. hospital ship – the USNS COMFORT – on a four-month tour of Latin America and the Caribbean to conduct medical training and to treat patients in 12 countries. It was a tremendous success. Over 385,000 patient treatments were completed, along with 1,170 surgeries, more than 20 community-improvement projects, 17,700 livestock vaccinations, and more than 25,000 dental patients treated. Throughout the deployment, our personnel received vital training, and our message of positive commitment to the region and to its peoples penetrated deep and touched millions. This effort combined multiple military services, multinational integration, and medical professionals from the private sector.

The success of the mission, combined with uniquely integrated medical and construction training for our personnel, spurred the conception of Continuing Promise 2008. Since the Navy

only has two dedicated hospital ships, the Navy sourced our request to repeat the COMFORT mission in 2008 with two large amphibious ships. Building upon the lessons learned from the COMFORT, we increased the mission duration from four to seven months, increased contact time in each port, and integrated more partners for the undertaking.

The two ships carried a mix of military, interagency, multinational, and even nongovernmental medical and health specialists. Along with this diverse medical team, we embarked military engineers, construction experts, Navy and Marine Corps helicopters and crews, and military training experts. This uniquely designed team was tailored to training and humanitarian missions, but had the flexibility to easily transition to disaster-relief efforts should the need arise – which it ultimately did.

One of the ships, the USS BOXER, completed the Pacific phase of Continuing Promise with superb results: over 65,000 total patient treatments, including 127 surgeries, 4,000 optometry patients treated, 14,000 dental procedures, medical and military training for thousands of host-nation students, and construction projects at almost a dozen sites. The second ship, the USS KEARSARGE, completed the Atlantic Phase in November, and its joint, international, and nongovernmental medical professionals worked alongside host nation officials to treat more than 145,000 patients in six countries. The crew also dispensed more than 81,000 prescriptions, provided veterinary care to nearly 5,600 animals, and completed various construction and renovation projects in each of the countries visited during the mission.

As an example of the flexibility of this type of venture deployed in our region, after Haiti was struck by successive tropical storms and Hurricane Ike in September, the KEARSARGE diverted from its planned stop in Colombia to respond to this emergent humanitarian crisis. Supporting relief efforts led by the U.S. Agency for International Development's Office of

Foreign Disaster Assistance, the KEARSARGE and its crew delivered 3.3 million pounds of food, water, and other relief supplies to Haitian communities devastated by the storms.

Continuing Promise is a perfect complement to our already established medical readiness training exercises that treated nearly a quarter of a million patients at 64 remote inland locations throughout the region. It also complements our humanitarian and civic assistance programs, as well as our engineering training exercises. Overall, Continuing Promise 2008 was an incredibly successful mission that further advanced our strategic messaging and built confidence, capability, and goodwill in numerous countries in the region serving as a visible and lasting counterweight to anti-U.S. messaging.

Self Propelled Semi-Submersible Capture. On September 13th, 2008 the USS MCINERNEY was on a nighttime patrol in the Eastern Pacific Ocean some 350 miles off the coast of Guatemala. Unlike during the Cold War, they were not in search of Soviet submarines. They were, instead, in search of a different type of threat – a possible SPSS that was detected by a Navy maritime patrol aircraft. Embarked aboard this U.S. Navy ship was a Coast Guard Law Enforcement Detachment that has the authority to make arrests – another example of an interagency approach to combating illicit trafficking. This integrated team enables Department of Defense assets like the MCINERNEY and crew to search for illicit traffickers, and then pass off law enforcement actions to Coast Guard personnel.

The MCINERNEY was one of several assets – air, land, sea, and space – that were coupled with interagency operatives and partner nation agents throughout the hemisphere and Europe who were “on duty.” In our JIATF-S headquarters in Key West, 24/7 operators were

fusing intelligence and surveillance information, tracking numerous potential threats, and vectoring and monitoring interdiction assets onto probable threats.

MCINERNEY was vectored onto a faint contact that was trying to evade detection and head north towards Mexico or the United States. During this nighttime intercept, the crew came across one of the most sophisticated SPSS vessels to date -- capable of carrying a seven-ton cargo in near silent and radar invisible routes with non-stop ranges from South America to California. On that night, the payload was a crew of four and seven metric tons of cocaine. Following deception tactics, this SPSS crew was traveling at night, far off the coast, and at low speeds to avoid detection. This pitch-black intercept against an unknown threat was described by one of the Coast Guard boarding team members as the “scariest event” of his entire career.

Fortunately, the intercept was executed flawlessly, and the traffickers did not have time to scuttle the vessel fully by using built in fast-acting drainage valves that allow incoming water to rapidly sink the vessel to avoid evidence collection. Once again, I must thank the Congress for the passage of the Drug Trafficking Vessel Interdiction Act of 2008 that allows law enforcement legal indictments against operators of any Submersible or SPSS vessel without nationality – an act that will certainly reduce risk for boarding teams and result in greater intelligence gathering and trafficking convictions.

The story of the MCINERNEY is a successful one. But as described earlier, we believe other SPSS vessels get through, accounting for approximately 30 percent of cocaine movement in the drug trafficking transit zones. As we continue to fight extremism around the world, we are alert to connections between narcotraffickers and Islamic radical groups. SPSS tactics and payloads could one day represent an extreme threat to the United States and our partners.

These three examples illustrate our integrated approach and demonstrate commitment to our motto: “Partnership for the Americas.” PANAMAX underscores the importance of partnership at the traditional military level, but with a focus towards supporting multinational, interagency, and even limited public-private efforts. Continuing Promise highlights the effectiveness of integrated medical / humanitarian training missions and of their benefit from a strategic messaging perspective. The self propelled semi-submersible seizure shows the importance of an around-the-clock, collaborative effort to stop specific transnational security threats that could have extreme consequences if left unchecked.

Looking Ahead

This year is already shaping up to be a good one for U.S. Southern Command and our efforts to confront the challenges of this dynamic era. We have numerous initiatives, programs, and exercises scheduled to build on the momentum of the last two years. The hospital ship COMFORT will return to the region with a program crafted from lessons learned from our previous training and engagement. Construction of the new headquarters facility – designed to be a fusion center of integrated effort – is progressing and is on schedule. We have planned numerous bilateral, multilateral, and interagency exercises; programmed several valuable medical and construction training missions; and resourced exchanges and conferences. We continue to improve upon our model of interagency, international, joint, and public-private support. With the ongoing help of the Congress, we hope to make 2009 another positive and productive year for U.S. Southern Command.

As we chart our way into the next decade of this century, we will hold steady to our course of persistent engagement, partnership building, enabling understanding, and positive strategic messaging – all propelled by our interagency-support approach. I take great pride appearing before you today to represent the tremendous efforts of the men and women of U.S. Southern Command. I believe our efforts are making a difference in our hemisphere and for the security of the United States. I truly feel that our superb Soldiers, Sailors, Airmen, Marines, Coastguardsmen, – active, reserve, and guard – as well as our talented civilians are daily living up to the trust the American people have placed in them. They are all volunteers to serve their country, and I am honored and blessed to serve with them every day. Our people are our greatest strength, and I thank you for your continued support to programs that improve their lives and support their families.

Once again, I appreciate your support to U.S. Southern Command and am prepared to answer your questions.